

The President's News Conference With President Ernesto Zedillo of Mexico

October 10, 1995

President Clinton. Let me say again how delighted I am to welcome President Zedillo to the White House and take this opportunity to say again, on behalf of the American people, how terribly sorry we are for the terrible earthquake in Mexico yesterday. Our thoughts and prayers are with the victims and with their families.

My meeting with President Zedillo marks an extraordinary moment for relations between the United States and Mexico. Never has our partnership had so much potential. Never has it yielded such clear results.

Each of us is uplifted by the strength of the other's economy, as we create good, high-paying jobs that benefit both our peoples. Each of us is made stronger by the support of the other in our common efforts to fight drugs, crime, and pollution. Each of us is enriched by the wealth of the other's heritage. We celebrate Hispanic Heritage Month this month, and we should honor the Mexican-American community that has contributed and continues to contribute so very much to the life of the United States.

President Zedillo and I are joined in a common endeavor to advance the security and prosperity of both our nations. The events of the last year have demonstrated how crucial it is that we work together.

When the peso collapsed just 10 months ago, America's deepest interests were affected. The crisis threatened 700,000 Americans whose jobs depend on exports to Mexico. It raised the specter of severe dislocation along our 2,000-mile border and in emerging markets throughout Latin America and, indeed, throughout the entire world. By making tough decisions together, we steered through those days of uncertainty and averted far graver consequences. The United States put together an international package of support to stabilize Mexico's economy. And President Zedillo showed tremendous vision and courage implementing tough measures that laid the basis for recovery.

To be sure, the road ahead will be difficult. But the Mexican people, with President Zedillo's leadership, are determined to hold onto reform, courageously accepting today's hardship for the

sake of a better tomorrow. Already we see the results. When the financial crisis struck in 1982, it took 7 long years before Mexico could return to international capital markets. Under President Zedillo's skillful guidance, it took just 7 months this time. Interest rates have fallen by half, monthly inflation is down, and the stock market is back up to pre-crisis levels. Last Thursday, President Zedillo informed me that Mexico would repay \$700 million of our financial support ahead of schedule.

The North American Free Trade Agreement bolstered that recovery of confidence. Despite Mexico's economic downturn, American exports to Mexico still exceed their levels before NAFTA. And I want to emphasize that. The last time the Mexican economy was in crisis in 1982, there was a steep increase in tariffs, and Mexican exports were cut in half. It did not happen this time because of NAFTA. Therefore, if the NAFTA agreement had not been in place, the recent difficulties would have been far, far worse from the United States point of view. Our overall exports to NAFTA partners have grown by 25 percent since the agreement took effect, supporting about 340,000 good American jobs.

Mexico is already one of our most important partners in the global fight against drugs, and we are determined to do more. Helping Mexico to fight crime before it crosses the border is an investment in America's security. We will do all we can to strengthen Mexico's ability to detect and to deter drug traffickers by providing 12 helicopters, helping Mexico obtain radars, intensifying our training to help fight money laundering. President Zedillo's major reform of Mexican law enforcement will make our cooperation even more effective.

The United States is a nation of immigrants and a nation of laws. We must control our borders even as we work to protect the dignity and rights of individuals. Working with Mexico, we have made important strides to prevent illegal immigration and to promote public safety.

By the end of 1996, the United States aims to increase our Southwest Border Patrol personnel by 60 percent above its 1993 levels. The

Mexican Government has taken concrete steps to fight border crime, prevent alien smuggling, and close illegal gateways to our country. I welcome President Zedillo's agreement to begin a pilot repatriation program in the San Diego region. Under this program, Mexicans who repeatedly cross our border illegally will be voluntarily returned to their hometowns instead of to the border area.

President Zedillo and I also discussed the environment. Thanks to the efforts set in motion by NAFTA, our nations are working more closely than ever to solve pollution problems, protect public health, and deal with our long-term common environmental interests. Together we are helping border communities find ways to improve sanitation and to ensure clean drinking water.

The vitality of these relations between the United States and Mexico reflects and reinforces the new spirit of cooperation that indeed is sweeping our entire hemisphere. As we witnessed at the Summit of the Americas in Miami last December, our interests and our values increasingly coincide.

Again, let me say how very much I appreciate the leadership and strength that President Zedillo has shown. We know that the core of our long-term future with our partnership in the Americas lies in a strong relationship and a strong working partnership between the United States and Mexico.

Mr. President, welcome back.

President Zedillo. Thank you, Mr. President, ladies and gentlemen. I would like to thank President Clinton for his kind words. In the conversations that we have held, we carried out a very complete analysis of the basic issues, the main issues, on our bilateral agenda.

We have spoken of the relationship of the two economies. Especially we have spoken of the results offered by NAFTA and of its enormous potential. NAFTA is a reality, and it is yielding impressive results. Even in this difficult year, Mexico now purchases nearly 4 times more goods and services from the United States than it did 10 years ago. And the United States is exporting to Mexico more than in the years prior to NAFTA. Trade between the two countries is in excess of \$100 billion a year.

We discussed some of the aspects of our bilateral relations, and we were pleased to find solutions in some of the cases. We also hope that very soon we will find a modification or amend-

ment to the legislation which imposed the tuna embargo. This has been the result of acknowledging the great effort that Mexico has carried out in this field.

We trust that the trade between the two nations will increase again as of 1996 when Mexico's economy will begin to recover significantly. The recovery in economic growth will prove that the economic program put in practice by Mexico and the decisions reached have been the appropriate decisions.

The vigorous economic growth and the creation of more and better jobs will be the best response to the migration of Mexicans to the United States. We agree that our respective legislation must be respected, as well as the dignity and the rights of individuals must be respected. We have reached agreements for the orderly repatriation of undocumented Mexicans to different entry ports.

Drug trafficking is our common enemy. It is the most threatening of all enemies because it brings corruption, corruption in health, in social living, and in institutions. We agree to fight firmly the war against drug trafficking in both nations and to severely punish money laundering. We have also agreed to intensify the efforts against drug use.

Mexico is doing its share in this regard. Just a few days ago, as part of a new, stronger policy, we put in practice a national drug control program. The three basic avenues comprise an important social campaign against drug use. It is an unprecedented effort also to eradicate crops and to combat the trafficking of prohibited or forbidden drug substances and against money laundering. In our conversations we reaffirmed our mutual commitment to cooperate with the sovereignty of each nation in an unprecedented struggle against drug trafficking.

We have spoken about our border, and we agreed to work to make it clean and safe and to make it an opportunity for productive activities and well-being. This is the intention of the *Frontera Veinte-Uno* program or the Border 21 program between our nations.

At important times, at decisionmaking times, President Clinton has shown Mexico friendship and respect. He has shown vision, commitment, perseverance, and leadership. Because of all this, Mr. President, as Mexicans, we acknowledge your friendship, your commitment, and your respect to Mexico.

In brief, ladies and gentlemen, in sum, this has been an opportunity which has allowed us to carry out a very constructive and detailed analysis of our bilateral agenda. And at the same time, it has allowed us to assert a new understanding that will ensure what is most important, that is, our will to hold a permanent dialog with mutual knowledge and friendship between our peoples.

Thank you very much.

President Clinton. Thank you.

Helen [Helen Thomas, United Press International].

Divisive Domestic Issues

Q. Mr. President, how concerned are you over the two social problems, one, the vengeful violence against law enforcement officers as manifested by Oklahoma City and the apparent sabotage of Amtrak, and of course, the racial divide as exposed by the Simpson trial? And what are you going to do about it?

President Clinton. Well, first, let me say I'm very concerned about it. I'm concerned about anything that makes the American people less secure or that divides them along racial or other lines. And it should be clear what we are trying to do about it.

What we are trying to do on the law enforcement side, obviously, is to improve our capacity to enforce the law, which is why we have asked for the antiterrorism legislation from the Congress and why we have done the things that we have done in this administration which have averted several terrorist incidents against Americans and which have succeeded in bringing suspected criminals back to the United States and which have secured convictions. So we are working very hard there to bring down the crime rate and make the American people safer.

With regard to the racial divisions, without commenting, again, on the trial itself, I think what has struck all Americans in the aftermath of the trial is the apparent differences of perception of the same set of facts based on the race of American citizens. And I have always believed that the best way to deal with that is to try to get us to identify common objectives and work toward them together and agree that we have achieved them together.

That's why I've worked so hard, often in the face of intense criticism, to assure that we had both diversity and excellence in our administration, to promote affirmative action but to get

rid of its abuses, and to do other things that would give all Americans a common stake in a common future.

But I have been thinking about this a lot over the last several days. And you know, the whole issue of reconciling races in America has been a passion of my life, even before I was an elected official. The fact that we are still polarized in some ways is a source of great concern to me, not only as President but as an American, as a father, as someone who desperately wants his country to do very well for a long time.

I have spoken about this elsewhere, but I may have some more to say about it in the next few days. I'm really going to think through this and talk to some people and try to absorb the impact of what I have been learning here. Because I must say that even I—I thought I knew a lot about how people of different races viewed things in America, but I have been surprised by the depth of the divergence in so many areas. And I do think we need to work on it, because we don't have a stake in drifting apart. We need to see—we can have differences of opinion, but at least we ought to be able to look at facts and reach some common judgment more frequently than apparently we're able to today.

Mr. President, do you want to—

Drug Abuse and Trafficking

Q. Yes, President Zedillo, at different times, on different occasions, you and other Latin American Presidents have spoken of the need for large countries—large drug consuming countries to take on the role of coresponsibility or shared responsibility with the countries where there is drug trafficking. I'd like to know if you discussed this with President Clinton and what he answered to you.

President Zedillo. This vision regarding the drug trafficking problem is a concern that is shared by the two nations. This was expressed in the agreements in Miami at the summit meeting convened by President Clinton, in the Declaration of Principles and in the Program of Action. It was very clear that we must tackle the drug trafficking problem from a global perspective, in the supply, in the trafficking, and also in the demand for drugs or drug consumption.

That is why this year the two Governments together have intensified our cooperation. It has

always been in full respect of the sovereignty of the other nation, and we have acknowledged the importance of increasing our efforts to combat consumption in an integral fashion.

President Clinton. I'd like to answer that.

I think it is a legitimate thing for countries—other countries to ask the United States to do more to reduce its demand for drugs. We have roughly 5 percent of the world's population; we consume roughly half of the world's illegal drugs. So I think that's a legitimate thing.

When we passed the crime bill last year through our Congress, there was a real commitment there to increase our investment in community-based prevention programs and in drug treatment programs and in punishment programs. And I would like to point out that in the United States now we are first or second in the world in the percentage of our people that we have in prison, and half of them are there because of violating our drug laws. The crime rate is down in the United States in almost every major category. And drug use among adults is down in the United States, although casual drug use among teenagers seems to be creeping up a little. And we're intensely involved in discussions about how to drive that down.

So I accept that responsibility. And we have to do more. We also have to do more to interdict drugs coming into our country. And we've tried to do more of that on our own and have made some major progress there. So we want to do our part in what will be a genuine partnership against the scourge of drugs and the organizations that sell them and, therefore, threaten the vitality of democracy in our neighbors.

Yes, Terry [Terence Hunt, Associated Press].

Budget Negotiations

Q. Mr. President, in a speech last night, Speaker Gingrich challenged your administration to begin serious negotiations on the budget. He said—or else you'd face the loss of some Government functions that you like. And he specifically mentioned that Labor Secretary Reich might be out of a job. What would it take to begin the serious negotiations that he's talking about? What will trigger these? And what will it take to break this impasse?

President Clinton. Well, first of all, they—let me say, I don't want to get into a word war here. My door has been open to negotiations all along. I have made it clear what I would do, which is to support a balanced bud-

et; that I would support and think it's important that we increase the life of the Medicare Trust Fund; and I would support a tax cut, properly targeted and affordable, for the American people. Those are the things that the Speaker says that he wants out of the budget. I will support those things.

But I disagree with the magnitude and the pace of the cuts in the medical programs, Medicare and Medicaid. I disagree with the dramatic walking away of our responsibilities in education and in the areas of technology and research that are key to our economic future. I disagree with the significant erosion in our commitment to the environment and public health in the budget.

And the options for achieving agreement are, I think, many and fairly clear. But this legislative process has to unfold. After all, we have some of the—it's not clear to me what is going on in the Congress. You know, last year, we passed all the appropriation bills before October 1st, and in 1993 when we passed our multiyear budget, the reconciliation bill, it passed in August. And so I worked with the Congress on a regular schedule that I understood.

I have—you know, if we're going to have an honest conversation about this which—and by the way, we've had many conversations about it—I think that we have to say we have to find common ground here.

But I want to balance the budget so we can grow the economy and strengthen the American people. They've offered the American people a budget which says, "If you pass our budget with our tax cut, we will give you slower economic growth than you've had for 25 years." That's the message of their budget. I find that astonishing that they have no confidence in their own budget.

We adopted very conservative economic projections and said we thought we would grow at least as fast as we had for the last 25 years with the very difficult years in the seventies and eighties. In fact, I think we'll grow more if we do it in the right way.

So there are a lot of ways that we can meet and talk together. But we don't need to get into a fight about it; we need to work through it. And my door is open, and we'll work through it, and I think we'll get it.

Mexico-U.S. Relations

Q. President Clinton, you took on the personal risk of this financial package, the largest financial package existing. I'd like to know why in policies it appears as if you never do anything for anyone. President Zedillo, is there something that people can come and ask you for accountability on later on?

President Clinton. I'm not sure I understand the question.

Q. Would you like me to repeat the question?

President Clinton. Yes, please do.

Q. What are you expecting in exchange for the credit package that you offered Mexico? What are you expecting? [*Laughter*]

President Clinton. I see. All I want is for Mexico to stay on the path to democracy and prosperity through open markets. I seek no special favors for the United States, no special concessions. We share this great border together. Americans of Mexican heritage are one of our largest groups of Americans. Mexico is one of our largest trading partners in both directions. And our future is bound up together.

What I want is for Mexico to be strong and healthy and free and successful. That means an America with a good partner, with a bright future, with a growing economy, with stable borders, with the ability to fight the scourge of drugs and organized crime and raise the resources necessary to fight environmental pollution. And it means that there will be two countries, along with our friends in Canada, that can lead this hemispheric-wide partnership for the Americas into the 21st century. That's what I want out of this.

And the flip side of it is that if Mexico's economy had been permitted to deteriorate further because of the speculation which was existing in the financial markets at that time, then one of modern history's great examples of democracy and economic reform would have been lost because of a short-term problem. It would have been a tragedy for the American people—I mean for the Mexican people—and for the American people. And we would have paid a much dearer price because then you would have had problems in Argentina, in Brazil, in other developing countries all over the world.

So I did it because I wanted to stop bad things from happening. I did it because I have a vision of what our partnership will be in the future. But I seek no special advantage for the

United States and certainly no influence over the internal affairs of Mexico.

President Zedillo. There is nothing in what we have done this year to face the adverse situation that Mexico's economy is facing—there is nothing that we will regret in the future. Thus, all of the decisions that we have reached to tackle the crisis have been indispensable decisions, so that very soon the Mexican economy will be clearly on the path to recovery, to economic growth and the path to creating jobs.

The agreements that we have reached with the Government of the United States of America, headed by President Clinton, have been agreements that have been in full respect of our national sovereignty. We have received a very understanding and supportive attitude from the Government of the United States. And we understand that this is in benefit of Mexico. But as President Clinton has already emphasized, these decisions and these agreements were reached in the interest of international co-existence, of the international financial system as well, to safeguard its stability, and also in the interest of the U.S. economy.

Q. The Mexicans are very worried that Mexico will become an issue in the political campaign and Mexico-bashing has no political—[*inaudible*]. Have you given President Zedillo any assurances that every time that happens you will condemn that?

And I would like a quick question for Mr. Zedillo in Spanish. Mr. President, how would you respond to the allegations that your campaign has received the money from the Cali cartel?

President Clinton. First of all, I think I have established, beyond any question, my position on that issue. My view is that Mexico is our partner and that we have to work together. When we have honest differences, they should be honestly discussed. But to imagine a future for the United States that is successful into the 21st century without a successful partnership with Mexico is difficult indeed.

So my answer is the way to avoid Mexico-bashing, first of all, is to deal with the facts. For example, the facts on NAFTA are that, sure, after Mexico had an economic downturn, our exports suffered. But they suffered so much less than they did just a little over a decade ago when there was no NAFTA. So we're better off.

First, we must deal with facts, not emotions. Secondly, we have to be good partners in working on the real problems that give rise to emotional and anxiety-ridden responses. We have to work on the drug problem together. We have to work on immigration and the border problems together. We have to work on these things together in an open, honest way so that people on both sides of the border can see what we're doing and that we are laboring away to make the situations better. That is the answer.

Cali Cartel

President Zedillo. That information is absolutely false, of unknown origin. It is information that appeared in a Colombian magazine, quoting supposed DEA sources. Yesterday the DEA issued a communique saying that they did not authorize that information. And as we said the first day that this information was published, we will begin legal actions against the Colombian magazine that published this information.

The data having to do with the financing of all political federal campaigns in Mexico were delivered and analyzed by the electoral authori-

ties. So we could say that that investigation has been done and completed.

Cuba

Q. President Clinton, President Zedillo, apparently there are subjects in the foreign policy where you each maintain your own position. Today in your meeting, did you speak of Cuba? It appears that the United States has changed its position regarding Cuba. Was that subject discussed in your conversations, and will it have any effect on the bilateral relations?

President Zedillo. The response, Mr. President, is very simple. We did not discuss that. Thank you very much.

President Clinton. But it will not have any effect on our bilateral relations. [Laughter]

Thank you very much.

NOTE: The President's 102d news conference began at 12:45 p.m. in Room 450 of the Old Executive Office Building. President Zedillo spoke in Spanish, and his remarks were translated by an interpreter.

Message to the Congress Transmitting the Germany-United States Social Security Agreement

October 10, 1995

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act (the "Act"), as amended by the Social Security Amendments of 1977 (Public Law 95-216; 42 U.S.C. 433(e)(1)), I transmit herewith the Second Supplementary Agreement Amending the Agreement Between the United States of America and the Federal Republic of Germany on Social Security (the Second Supplementary Agreement), which consists of two separate instruments: a principal agreement and an administrative arrangement. The Second Supplementary Agreement, signed at Bonn on March 6, 1995, is intended to modify certain provisions of the original United States-Germany Social Security Agreement, signed January 7, 1976, which was amended once before by the Supplementary Agreement of October 2, 1986.

The United States-Germany Social Security Agreement is similar in objective to the social

security agreements with Austria, Belgium, Canada, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

The present Second Supplementary Agreement, which would further amend the 1976 Agreement to update and clarify several of its provisions, is necessitated by changes that have occurred in U.S. and German law in recent years. Among other things, it would extend to U.S. residents the advantages of recent German Social Security legislation that allows certain ethnic German Jews from Eastern Europe to re-